GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1170
ANSWERED ON:07.03.2008
REDUCTION EXEMPTION OF IMPORT DUTY
Ravindran Shri Pannian

Will the Minister of FINANCE be pleased to state:

(a) whether a reduction/exemption in customs tariff for imports duty from neighbouring countries has been effected;

(b) if so, the details thereof,country-wise;

(c) whether any fresh proposal in this regard is under consideration with the Government of India; and

(d) if so, the details thereof and action taken thereon?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a)&(b) Yes, Sir.The reduction in customs tariff for imports from neighboring countries viz.Nepal, Bhutan, Bangladesh and Maldives (also called the LDCs i.e. less developed countries)and Pakistan and Sri Lanka (Non-LDCs) have been done as a part of deepening of tariff concessions under SAFTA (South Asian Free Trade Agreement).

(i) Accordingly,duty free access to imports from LDCs has been allowed for all goods other than those in the negative list.

(ii) duties on imports from non-LDCs have been reduced,-

allowing a further reduction of 10% on the duty prevailing as on 31.12.2005 if the same was in the range of 5% to 20% OR
to 20%, in case the tariffs were more than 20% as on 31.12.2005.

(iii) Notifications 125 and 126 of 2007-Customs,both dated 31.12.2007 amending the notifications 67 and 68 of 2006-Customs both dated 30.6.2006 in this regard have been issued.

(c)&(d) As a part of concessions under SAFTA to Non-LDCs, India is committed to bring down the specific component of duties on textiles items attracting composite rates to Nil,by 01.07.2008.Similarly,the phase II for reduction of import duties for imports from Non-LDCs in SAFTA is as follows:

31st December, 2008 to 31st December, 2013 0-5% in five equal instalments.

Action on these would be taken as and when it is due.